BC Games Society
Annual Report 2011 / 2012

BRITISH COLUMBIA

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National Library of Canada Cataloguing in Publication Data
B.C. Games Society.
Annual Report. – 2000/2001 –
Annual.
Title from cover.
Report year ends Mar. 31
Each issue also has a distinctive title.
Also available on the Internet.
ISSN 1709-089X=Annual report – B.C. Games Society.

1. B.C. Games Society – Periodicals. 2. Sports and state – British Columbia – Periodicals
I. Title. II Title: B.C. Games Society...annual report. III. B.C. Games...annual report GV585.3 B72 353.7'8 C2003-803539-1

1. Message from the Co-Chairs to the Minister Responsible

When one considers the thousands of large and small details required to plan and implement a BC Winter Games, it is a compliment of immense proportions to state that "these BC Winter Games were simply the best ever." Those words were expressed by society President and CEO Kelly Mann, and relayed to the volunteers, participants, and friends by Vernon – Monashee MLA, Eric Foster at the Closing Ceremony of the Greater Vernon 2012 BC Winter Games.

With an incredibly dedicated team of 2,210 volunteers, Vernon President Akbal Mund and Vice President Jim McEwen ensured the 1124 athletes, 228 coaches and 152 officials had every need fulfilled. From serving over 16,000 meals or arranging a fleet of 33 local buses, to coordinating the nine dormitories and 120 sleeping areas, volunteers certainly did it all with a sense of community pride and incredible hospitality.

The pride of involvement in this biennial BC event extended to the desire for lasting legacies to the community. In addition to the general sense of pride of accomplishment, volunteers also received specific training which will benefit not only the individual volunteer, but the Greater Vernon region. Specifically, the WorldHost® Ambassador program was brought to eighty - four Games' Hosts. This program trained these men and women to become ambassadors for their region, while providing excellent hospitality at Games time, thus encouraging repeat visits to the area. Twenty seven grade 10 students from area schools spent four months gaining valuable leadership skills through a unique and first time opportunity crafted by talented local volunteers. With the focus to get them to see and understand how getting involved with their community and volunteering can lead to so many more opportunities these students developed a greater sense of pride and ownership in their community. Said one teen, "It's a really cool opportunity to get out into the community and help out".

Greater Vernon received a $525,000 grant from the Ministry of Community, Sport and Cultural Development through our office, to support the work of the BC Winter Games. That initial investment was supported by an additional $488,000 of cash and in-kind support raised by the Host Organizing Committee from local government and business. As a result of that support, and through thoughtful planning, their overall budget is expected to yield a surplus of ~$175,000[1], 50% of which will be returned to the BC Games Society for future Games investment. While final numbers will not be known until the fall, 70% of the community amount will be reinvested in sport, with the balance going to other community initiatives such as arts and culture, youth, and seniors. This financial legacy creates opportunities for hosting cities long after the Games cauldron has been extinguished.

While the hosting city worked long and hard to present this provincial stage for athletic performance, the Provincial Sport Organizations also worked tirelessly to bring their best young athletes, learned coaches and educated officials. Each of these young enthusiasts, whether looking for a spot on a provincial team, a Canada Games appearance or beyond, each worked toward their personal best. Regardless of future aspirations, athletes shared the camaraderie and spirit of the Games, which sets sport as a positive influence in their lives. Sports attending the Games this year brought 83% of their eligible athletes, while having 88% of their head coaches appropriately certified, thus ensuring the athletes were receiving quality coaching leading up to and including Games time. The BC Games Society applauds the work of our sport partners in this undertaking, and recognizes their volunteer efforts and investments of time and finances to get their sport to this level.

[1] audit to be completed in June 2012

Overall, the budget of the BC Games Society unfolded well with revenue exceeding expenses. Areas where the society did not make budget were corporate partner and contractual revenue, and athlete fees; the latter being off by $20,550 due to fewer attending athletes[2] than forecast in January 2011, and the former attributed to no new cash contracts being signed with provincial businesses and a lack of intended sales of copyrighted materials to offshore and provincial interests. Without the management duties associated with the Northern BC Winter Games and the BC Disability Games[3], including related staff travel and accommodation, pressures to our overall budget were reduced. The BC Seniors Games do require an approximately $40,000 subsidy to support our event management contract with them, and that was met due to the above-noted savings.

February 2012 also saw the BC Games Society conclude its involvement with the BC Sport Alliance, as the Alliance gave way to the BC Sport Agency Society. Almost five years in the making, the Agency will now be the lead organization on matters related to sport in this province. With a mandate to add value to the sport sector by providing strategic leadership and a vision of an active, healthy British Columbia, the Agency is now led by CEO Scott Ackles, and guided by an all-star team of provincial leaders who make up the Board of Directors. The BC sport sector will gain significant strength with this new model of leadership and the society looks forward to remaining an active partner.

Integral to the success of the BC Games Society is its ability to leverage new resources to support our provincial work. Acknowledging and welcoming the consistent investment made by the Province of BC, we also work closely with key corporate partners who, like the provincial government, value our work in sport and community. The BC Games Society was pleased to welcome Black Press to our corporate family, joining Global BC and Jazz Aviation. Black Press brings a quarter of a million dollars in newspaper and online promotional value to the society and our host communities, relaying the great stories of sport and Games through their network of seventy one community papers. Black Press' ability to cover every corner of the province fits well with the mandate of the BC Games Society as we too want to ensure every British Columbian has an opportunity to know about, and potentially become involved in the BC Games. Articles carried by the Black Press community papers were as much about reporting the results of competitions, as they were about the narrative side which provided education as to the importance of quality coaching, and how parents and their children can access provincial sport organizations to pursue their favourite sports.

The success of the Greater Vernon Games reinforces our confidence as a Board and staff that we achieve some quality results overall on targets identified in our 2011 / 2012 Service Plan. Significantly, our volunteers continue to rate highly the materials and expertise we provide in the management and preparation of the BC Winter Games. These results have remained consistent and are a source of great pride for the society.

This year saw the retirement of Frank Lento of Fernie as my Co-Chair[4] of the society. Frank's role with the Games continued his passion for sport at the provincial, national, and international levels. Frank did not disappoint and he continually steered us on a pathway of excellence in all we do, ensuring al stakeholders are being served and acknowledged.

Lastly, the Board of Directors and staff of the BC Games Society wish to gratefully acknowledge the support and leadership of the Honourable Ida Chong, Minister of Community, Sport and Cultural Development. Her attendance and that of her colleagues and staff, at the Vernon Games meant so very much to the volunteers who gave of their time for that success. The staff of the society knows also the Minister can be counted as a strong ally and fan of our work,

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[2] estimated attendance of 1260 athletes. Actual athletes attending was 1124
[3] these 2 Games were discontinued in 2011 due to community fatigue and declining participation
[4] Society moved to a single Chair leadership model effective March 2012

knowing we bring such a strong, proactive approach to community building and sport development.

The 2011/12 BC Games Society Annual Report was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act and the BC Reporting Principles. The Board is accountable for the contents of the report, including what has been included in the report and how it has been reported.

The information presented reflects the actual performance of the BC Games Society for the twelve months ended March 31, 2012 in relation to the service plan published in February 2011.

The Board is responsible for ensuring internal controls are in place to ensure information is measured and reported accurately and in a timely fashion.

All significant assumptions, policy decisions, events and identified risks, as of May 17, 2012, have been considered in preparing the report. The report contains estimates and interpretive information that represent the best judgment of management. Any changes in mandate direction, goals, strategies, measures or targets made since the 2011/12 – 2013/14 service plan was released and any significant limitations in the reliability of data are identified in the report.

Respectfully submitted,

Cathy Priestner Allinger

Cathy Priestner Allinger
Chair, BC Games Society

2. Organizational Overview

The Purpose of the BC Games Society is:

To provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport event which promotes interest and participation in sport and sporting activities, individual achievement, and community development. Specifically, our purpose is to:

- motivate British Columbians to achieve a higher level of fitness and physical well-being through participation in amateur sports and physical activity;
- encourage and motivate athletes, coaches, and officials to attain a higher level of skill and competitive achievement;
- organize competitive sport events that will serve as preparation for higher level competition and play an integral role in the BC sport delivery system;
- provide each hosting community with a legacy of experienced volunteers and facility improvements;
- share the spirit of the Games with British Columbians of all regions of the province;
- celebrate the community.

The BC Games Society was established in 1977 to provide community and sport development opportunities across BC. The Society is included in the public accounts of the Government of British Columbia and is a service crown agency subject to the *Budget Transparency and Accountability Act*. The Society was incorporated under the Society Act of British Columbia in 1987 to provide event management leadership to achieve sport, individual and community development.

Since 1978, the BC Games Society (Society) has been staging the BC Winter and BC Summer Games. The two events, held every even calendar year, are BC's largest multi-sport events. Located in Victoria, the Society provides event management support, volunteer and participant management software, and financial resources to each of its Games host communities. These host cities then form separate not-for-profit societies for the three-year cycle of their games management.

The BC Games Society no longer provides event management support to the BC Disability Games or the Northern BC Winter Games. Community fatigue and limited attendance were catalysts for the closure of these two multi-sport Games. The BC Disability Games Society dissolved March 31, 2012 while the Northern BC Winter Games Society is going through a governance review to determine their exact future. Currently, they are partnering with PacificSport Northern BC to provide sport development opportunities for northern residents.

In February 2007, the BC Seniors Games Society negotiated a stand-alone agreement with the Ministry, while retaining the event management services of the BC Games Society under an annual contract.

Provincial funding for the BC Games Society is provided through a *Transfer Under Agreement* signed by the Sport Branch of the Ministry of Community, Sport and Cultural Development

.

Communities across the province embrace the BC Games as an opportunity to highlight their citizens, facilities, and hometown pride to the rest of BC. While the BC Games are a four-day celebration, the legacy of these multi-sport events carries forward in new and improved facilities, enhanced volunteers skills, and economic impacts resulting from participant and visitor spending, and legacy investments.

Key partners and stakeholders include provincial and multisport organizations, corporate partners, civic governments, school districts, host societies and their local supporters and volunteers, athletes and coaches.

MISSION, VISION, VALUES

Mission

Through partnerships, the BC Games Society is committed to providing event management leadership in the creation of development opportunities for individuals, sport organizations, and host communities.

Vision

- Entrepreneurial approaches, mutual accountability, and transparency in all our partnerships are standard methods of operation.
- The economic and social benefits to communities in hosting the Games produces quality bids and experiences from a variety of host communities.
- BC athletes, coaches, and officials in national and international competition will benefit from the experience of a BC Games.
- Public and private sectors value and support the BC Games.
- Host Communities, athletes, coaches, managers, officials, and volunteers remember the BC Games as a best ever multi-sport experience.
- The BC Games are a vehicle for community legacies, trained coaches, new sport clubs, facility improvements, community pride and spirit, and skilled event management volunteers in each host community.
- BC Games Society Board represents an effective, ethical, and responsible model in leadership and governance.

Values

Values that underpin how we interact in our relationships:

- Partnerships and collaboration are the foundation to our working relationships where appreciation and understanding of all partners' perspectives is actively sought.
- We have an organizational climate of mutual trust and support between Board and Staff, where roles and responsibilities are clarified, policies are followed and contributions of the team and individuals are honoured.
- Our dynamic approaches continually redefine and determine the most efficient and effective method of delivering event management services and programs.
- Commitment to social issues affecting all British Columbians around health and wellness, personal and community development, equity, access, and inclusiveness is demonstrated.

- Investment in our human resources is critical to our long-term success and we strive to offer personal/professional development opportunities to Board, Staff, and Volunteers.

3. Report on Games Performance

The core business of the BC Games Society is the event management of the BC Winter and BC Summer Games. In support of these two multi-sport events, it is important that the operations of the Society are supplemented through corporate partner investment. The goals, measures, objectives, and targets identified in this Annual Report highlight the role we play within the sport system, and acknowledge the need to assist in the financial stability of our organization.

Successful outcomes due to effective management ensure longevity of the hosting rotations around the province. By establishing the BC Winter and BC Summer Games as a focal point for athlete and coach development, it is important that we measure benchmarks in the successful progression of athletes and coaches. Bringing the business community to aid in the success of the BC Games is critical as their support contributes significantly to the overall success of each Games, while ensuring government's investment is maximized.

As was stated in the Chair's message to Minister Chong, the Greater Vernon 2012 BC Winter Games were a text book example of a well staged multi-sport event. While not without their early challenges with volunteer turn-over, and gaps in planning, the 2,210 volunteers looked to their online resources and staff knowledge and encouragement to complete their respective tasks to reach the finish line together. Key leadership provided by the Vernon Games President Akbal Mund and his Vice President, Jim McEwen highlighted the importance our role as event managers can play in assisting volunteers with their many tasks and details; these two men spoke often and with passion of the corporate knowledge and historical perspectives BC Games staff can provide to a successful Games.

Risk and Sensitivities

During the period covered by this Annual Report, the BC Games Society planned for / funded / implemented:

- West Kootenay 2011 BC Seniors Games
- Greater Vernon 2012 BC Winter Games
- Surrey 2012 BC Summer Games
- Burnaby 2012 BC Seniors Games
- Kamloops 2013 BC Seniors Games
- Mission 2014 BC Winter Games

The BC Games Society relies on third party delivery for the recruitment of athletes who attend the BC Winter and BC Summer Games. This recruitment and training of attending coaches and officials is the responsibility of the participating Provincial Sport Organizations (PSOs). Their successes in recruitment and training are reflected in our statistics pertaining to athletes and coaches. While the BC Games Society provides the Games as an opportunity for athlete, coach, and officials' development, the onus is on the Provincial Sport Organizations to make the most of this event to help develop their sport.

For the first time since 1992, Greater Vernon hosted a BC Winter Games. With a sport package involving 1,124 athletes, 286 coaches and 167 officials in 15 sports, organizers required additional venues outside the city limits which truly brought a regional flavour to the event. The neighbouring communities of Armstrong, Coldstream, and Lumby offered their facilities, allowing their residents to claim an active role either as volunteer or fan. This total participant package of 1,577 was a slight decrease in attendees over the Terrace 2010 BC Winter Games by 220. The 2011 Halifax Canada Winter Games involved over 2700 athletes in 20 sports. 2,210 volunteers from the Greater Vernon region contributed their time and energy to the success of these Games, while hundreds more prepared their athletes and coaches for this important competition. By comparison, Terrace recruited 1797 volunteers to assist with their BC Winter Games in March 2010.

Some great winter sport stories rose from these Greater Vernon Games, where sports brought 83% of their eligible athletes, while coaching standards hit a new Games high with 88% of head coaches being certified level 2[5]. These coaches provide great support and leadership to this next generation of provincial and national team athlete, with many coaches themselves going on to coach provincial, national, Canada Games and international athletes. In particular, speedskating coaches Ariana VanderStarre and Nancy Goplen have coached nationally, as have Karate's Kraig Devlin and Sandeep Gill.

The BC Seniors Games continued to be managed by the society's Event Managers using the Guidelines for the Host Community transfer of knowledge program, under the policy direction of the independent BC Seniors Games Society. The society is provided a management fee through our Transfer Under Agreement with the Province of BC. At present, the staff services support, and related travel provided to the BC Seniors Games amounts to $84,500 annually.

The Northern BC Winter Games Society no longer administers their biennial Northern Games, and are transitioning to become a provider of sport educational opportunities, in partnership with PacificSport Northern BC. The society no longer provides event management support to this organization, but does provide $42,500 toward their programs, through an Agreement for Financial Assistance. The BC Disability Games Society dissolved their society on March 31, 2012 bringing an end to the BC Disability Games. A new vision has been developed for multi-sport Games for athletes with a disability; the society's involvement is yet to be determined.

The BC Games Society is staffed by nine full-time employees, five of whom spend significant periods of time travelling to the host cities in support of volunteers. Three administrative staff assist in their work, and aid the functions of the President and CEO's office and the Board of Directors. Our *Guidelines for the Host Community,* an on-line Transfer of Knowledge resource exclusive to the BC Games Society, empower the volunteers with tasks, timelines, and samples, meaning that staff time is maximized, and any one manager can provide assistance to possibly as many as six communities concurrently.

As noted in the results on the following pages, the BC Games Society was able to meet its objectives. These results further express the value of the BC Games in sport and community development. The BC Winter and BC Summer Games continue to provide opportunities for provincial and multi-sport organizations to align participation and competition with the Canadian Sport for Life approach. Through our actions, the Board and staff of the BC Games Society remain committed to joining its numerous partners in sport and recreation in furthering positive health, social, and economic outcomes for the Province of BC and its citizens.

[5] National Coaching Certification Program (NCCP) – more information at coachesbc.ca

Outside of the objectives reported in the following pages, BC Games Society also:

With respect to Partner Games:

- provided event management services to the 2011 BC Seniors Games which involved 2853 participants and 1864 volunteers, and to the host society preparing for the Burnaby 2012 BC Seniors Games which anticipates 4000 participants and 2000 volunteers for August 2012.

With respect to Hosting BC:

- administered the Hosting BC grant program, which saw $500,000 in provincial funding going to support 107 events in 37 communities.
- managed the www.hostingbc.ca website – a 2010 Olympic and Paralympic Winter Games legacy which links communities' hosting capabilities to national and international events

With respect to Volweb.ca:

- managed the volweb.ca website – also a 2010 Games' legacy which matches volunteers with volunteer opportunities.

4. Alignment with Government's Strategic Plan

The BC Games Society supports three of the Government's priorities as identified in their Strategic Plan.

To lead the way in North America in healthy living and physical fitness.

The purpose of the BC Winter and BC Summer Games is to provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport event. The Society promotes interest and lifelong participation in sport and sporting activities, and individual achievement. BC's multi-sport Games promote healthy, active lifestyles for a broad range of populations, and builds capacity in skilled volunteers, sport programs, equipment and facilities, all avenues that continue to contribute to healthy communities. Additionally, these Games provide participation and competition opportunities which are aligned with the goals and objectives of the Canadian Sport for Life[6] model – an approach that the Ministry of Community, Sport and Cultural Development, and its partners, along with the sport and recreation sectors, are implementing in BC.

To build the best system of support for persons with a disability, special needs, children at risk, and seniors.

Integration of athletes with a disability has been part of our Games model since our inception. We continue to support further integration by expanding opportunities for sports for athletes with a disability within a Games' environment. Our event management service agreement with the BC Seniors Games and the BC Disability Games provides additional financial resources and professional staff support to these Games, and contributes to a positive experience for athletes from both constituencies.

[6] framework for sport participation from childhood to seniors see LTAD.ca

To make BC the best educated, most literate jurisdiction on the continent.

Our commitment to the provision of quality written resources for the training and education of volunteers continues. Recognized nationally for their thoroughness and ease of use, our *Guidelines for the Host Community* are now online making them more accessible to more volunteers. As well, the Games' experience for volunteers in host communities provides skills that contribute to lifelong learning, whether this be for use in business, community or personal environments.

Additionally, through the 2011 Government's Letter of Expectation (GLE), signed in partnership with the Ministry, the BC Games Society will:

- where possible, provide advice and expertise in support of the delivery of the Prince George 2015 Canada Winter Games
- ensure the society's priorities reflect Government's goals of putting families first; creating jobs, and building a strong economy
- continue to make decisions which lessen environmental impacts

The entire SLE may be read at www.bcgames.org under "About Us."

GOAL 1 – EFFECTIVE MANAGEMENT OF BC WINTER GAMES, BC SUMMER GAMES AND PARTNER GAMES

Objectives

In partnership with the Greater Vernon 2012 BC Winter Games, and the Surrey 2012 BC Summer Games, plan, prepare, and implement quality multi-sport events for the benefit of participants, volunteers, and funding and corporate partners.

Key Strategies

Provide concise written online materials to support the volunteers in creating quality BC Games.
Promote PSO's use of the BC Winter and BC Summer Games through Memorandums of Understanding as a key element in the continuum of their athlete, coach, and officials' development while recruiting and maintaining a key network of key sport volunteers across the province.

Performance Measures	Actuals				Variance and/or Comments Related to Measures	Target
	08 / 09 Actuals Kelowna 2008 Summer	09 / 10 Actuals Terrace 2010 Winter	10 / 11 Actuals Township of Langley 2010 Summer	11 / 12 Greater Vernon 2012 Winter		12/13 Surrey 201 Summer
Volunteers use and value online tasks, samples, and protocols to effectively manage their BC Games[7].	87% satisfaction rating of online resources.	63% satisfaction rating of online resources.	83% satisfaction rating of online resources.	93% satisfaction rating of online resources.	Consistently high rate of satisfaction is testament to the enthusiasm volunteers bring to the project, while recognizing the thoroughness and professionalism of our approach to volunteer management.	85% satisfaction – measurement survey to begin in September 2012.
Head coaches attending the BC Winter and BC Summer Games are certified to the required National Coaching Certification Program level II.[8]	95% of coaches were certified to required standard.	76% of coaches were certified to required standard.	91% of coaches were certified to required standard.	88% of coaches were certified to required standard.	80% of head coaches attending a BC Games are new each year. High levels of coach certification provide athletes with competent and effective support, helping them to perform at their best. This certification standard also brings increased coaching skills back to home communities.	85% of coaches will be certified to required standard.
BC Winter and BC Summer Games athletes and coaches move on to higher levels of competition including the Canada Games.[9]	Measurements for 2009 to be completed in Oct. 2009.	51% (149) athletes and 65% (30) coaches attending the 2009 Canada Summer Games were BC Games alumni (53% of entire team).	55% (133) athletes and 63% (29) coaches attending the 2011 Canada Winter Games were BC Games alumni (57% of entire team).	41% (183) participants at the 2011 Western Canada Summer Games were BC Games alumni.	Initial measurement of the Western Canada Summer Games. Some sports sent teams to nationals, bypassing these Games. Those teams also included alumni.	2013 Canada Summer Games to include 60% BC Games alumni. Measurement to be taken Sept. 2013.
Legacies from BC Winter and BC Summer Games include new sport club development, trained volunteers, and facility upgrades[10].	562 volunteers were recruited and trained. Direct cash investment in sport was $60,034. Legacy investment is $77,867.	1807 volunteers were recruited and trained. Direct cash investment in sport was $68,255. Legacy investment is $63,687.	2599 volunteers were recruited and trained. Direct cash investment in sport was $67,900. Legacy investment is $75,319.	2210 volunteers were recruited and trained. Direct cash investment in sport was $82,000* Legacy investment post Games anticipated to be $87,000.	These three areas were key contributors to the overall success of the BC Winter Games. Volunteers were nominally under the projection with no disruption to planning or implementation	Anticipated volunteer recruitment to be 3100. Investment in sport equal to $80,000. Legacy investments post Games anticipated to be $75,000.

[7] statistics gathered from volunteers using Zoomerang survey tool
[8] coaching information provided by Provincial Sport Organizations and/or Coaching Association of BC
[9] Team BC data provided by the Sport Branch, Ministry of Community, Sport and Cultural Development
[10] figures taken from host community audited statements

GOAL 2 – ENTREPRENEURIAL ACTIVITIES

Objectives

To ensure the financial sustainability and enhancement of the BC Games through entrepreneurial activity by increasing the level of non-governmental fiscal support of the BC Winter and BC Summer Games.

Key Strategies

Establish new and maintain existing corporate partners through delivery on our contractual obligations.
Provide supportive documentation and event management to Host Communities to recruit and develop local financial and/or in-kind support.

Performance Measures	Actuals[11]				Variance and/or Comments related to measures	Target
	08 / 09 Actuals Kelowna 2008 Summer	09 / 10 Actuals Terrace 2010 Winter	10 / 11 Actuals Township of Langley 2010 Summer	11 / 12 Greater Vernon 2012 Winter		12/13 Surrey 2012 Summer
Corporate partners provide cash and in-kind services to offset budgeted expenditures.	Completed 2nd year of 2-year agreement with AC Jazz.	Completed 1st year with AC Jazz.	Completed 2nd year with Jazz Air.	Contract renegotiated for 2-year agreement.	AC Jazz partnership limited to charter aircraft only.	Complete second year of agreement.
	Global BC provided $170,730[12] of coverage related to BC Summer Games.	Global BC provided $95,061[13] of coverage related to BC Winter Games.	Global BC provided $237,000[14] of coverage related to BC Summer Games.	Global BC provided $269,000 of coverage related to BC Winter Games.	Global BC continues to support the BC Winter Games with production, promotional time, and news coverage.	Continue ongoing agreement.
	TELUS provided $60,000 cash and in-kind value.	TELUS concluded its partnership March 31, 2009.				
	BC Lottery Corp. (SportsFunder) signed to one year deal valued at $35,000.	BC Lottery Corp. signed to one-year deal valued at $35,000.	BC Lottery Corp. signed to one-year deal valued at $35,000.	Agreement not renewed as of January 2011.	Community investment dollars now targeted to other purposes. Overall society budget reduced to reflect loss of revenue.	
		CN provided $60,000 through 1-year agreement.	CN declined opportunity to extend.	Negotiations begin for agreement for 12/13	CN signed a 1-year, $60,000 agreement in support of the Surrey 2012 BC Summer Games.	CN provides $60,000 through a one-year agreement.
				Black Press signs 4 year $250,000 in-kind value agreement	1st-year of this new agreement provided significant benefit to the Host Community and the Society. Local print contribution equaled $72,000.	Complete 2nd year of 4-year agreement with Black Press.
Host Community budgets are supported by local government and business through cash and in-kind contributions.	Received $95,083 cash and $484,200 of in-kind value.	Received $35,391 cash and $287,236 of in-kind value.	Received $162,800 cash and $494,000 of in-kind value.	Anticipated recruitment of $26,000 cash and $370,000 value-in-kind.	Leveraging the provincial investment to this degree is attributable to the dedication of the President and Vice President and the support of the business community.	Anticipated recruitment of $60,000 cash and $500,000 value-in-kind.

[11] sources for financial figures from respective corporate contracts and community audited statements
[12] Global's valuation of airtime on CHAN & CHEK (48% primetime)
[13] Global's valuation of airtime on CHAN (48% primetime). Lower number in this fiscal due to airtime provided to Olympic coverage and loss of affiliation with CHEK TV in Victoria
[14] Global's valuation of airtime on CHAN. 44% of ad exposure was in primetime. News coverage accounted for estimated $90,000 of total value

5. FINANCIAL REPORT

Management Discussion and Analysis

Assessment of Results of Operations and Changes in Financial Conditions

Summary Financial Outlook 2010/11 to 2015/16 in 1000's	10/11 Actual	11/12 Budget	11/12 Actual	Budget Variance	Year [1] Variance	12/13 Forecast	13/14 Forecast	14/15 Forecast
Revenues								
Ministry Grant	2,160	2,002	2,105	103	(55)	2,002	2,002	2,002
Other Revenues	442	304	224	(80)	(218)	283	468	283
Total Revenues	**2,602**	**2,306**	**2,329**	**23**	**(273)**	2,285	2,470	2,285
Expenditures								
Grants	839	392	609	217	(230)	287	760	325
Games Operations	579	702	437	(265)	(142)[2]	816	516	766
Overhead	1,102	1,212	1,199	(13)	97	1,182	1,194	1,194
Total Expenses	**2,520**	**2,306**	**2,245**	**(61)**	**(275)**	**2,285**	**2,470**	**2,285**
Operating Income (Loss)	82	0	84	**84**	**2**	0	0	0
Net Assets, beginning of the year	480		562			480	480	480
Total Net Assets (Unrestricted) & Invested in Property & Equipment), end of Year	**562**		**646**			**480**	**480**	**480**
FTEs	**9**	**9**	**9**			**9**	**9**	**9**
Capital Expenditures	**25**	**19**	**34**			**19**	**19**	**19**

[1] variances due to comparisons between BC Winter and BC Summer Games
[2] lower external transportation costs for participant travel to lower mainland

Honouring the provincial investment made to the BC Games Society, a balanced budget was our objective when our Service Plan was approved last spring, and we can report a $84,114 surplus for the year ending March 31. In accordance with the Budget Transparency and Accountability Act, these residual dollars are now placed in our retained earnings, to be used exclusively for capital projects of the BC Games Society.

The BC Games Society Board recognizes and appreciates that budgetary control is critical to our long-term financial health. Each year, management prepares a two-year budget for approval by the Finance Committee and the Board of Directors. These budgets consider our strategic objectives of our annual Service Plan, and the geographic locations of the communities in which Games are being hosted. Total expenditures for the fiscal year ending March 31, 2012 were $2,244,770.

Savings can be attributed to no longer providing event management services to the Northern BC Winter Games and the BC Disability Games, but these savings were countered by our inability to draw in new investments from the corporate sector. Additionally, through sound planning, the society was able to reduce its external transportation costs for participant travel to Vernon.

Major Risks and Opportunities

In February 2012, the society began its solicitation for bids to host the 2016 and 2018 BC Winter and BC Summer Games. While the Board and staff are confident in the product we present, and believe strongly that communities welcome opportunities to host, we are constantly marketing the BC Winter and BC Summer Games to our potential hosts. With multiple hosting opportunities in BC, and recognizing that other events are competing for the valued host, it is important to stay top of mind.

By ensuring our product is providing legacy opportunities to cities, and that the volunteers are empowered to take on such a large undertaking through our transfer of knowledge program, the BC Games Society is still in the enviable position of having to adjudicate multiple bids for any given Games year and season.

Our corporate family grew by one this past fiscal year with the addition of the Black Press Group. A BC company, with ownership of seventy one regional publications, they are providing $250,000 of print and online support to the society and our respective Host Communities. Additionally, these publications provide added exposure to our other friends like Global BC and Jazz Aviation. We are pleased also to state that CN will rejoin the team in 2012 / 2013 after a one-year absence; they partnered with us for the Terrace 2010 BC Winter Games, and return for the Surrey 2012 BC Summer Games. In the cases of Terrace and Surrey, CN has stations there and they wish to support the community where they work.

The event management services provided to the BC Seniors Games Society continue to tax the budget of the BC Games Society. The transfer of funds by the Ministry to support their annual Games fails to meet the costs associated with the level and sophistication of services provided to the BC Seniors Games.

It has been indicated to the society that the HST exemption we have enjoyed since July 1, 2010 will go, and we will return to the PST / GST tax system. Under this tax change effective April 1, 2013, the society will pay 100% of the PST, while receiving a 50% input tax credit on the majority of our GST expenditures, with 100% on a select few. This tax policy change will require the society to find approximately $60,000 to allow for these tax payments.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the BC Games Society have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements present fairly the financial position of the Society as at March 31, 2012 and the results of its operations.

Management is responsible for the integrity of the financial statements and has established policies as conveyed by the Auditor General of British Columbia regarding internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial statements prepared in a timely manner. Inherent to the concept of reasonable assurance is the recognition that there are limits in all internal control systems and that system costs should not exceed the expected benefits.

Kelly Mann
President and CEO

Marlon Badesso, BComm, CA
Hutcheson & Co.

6. Corporate Governance

The BC Games Society, as a Service Crown Agency, is responsible to the Minister of Community, Sport and Cultural Development.

A fifteen member community based Board of Directors, appointed by Ministerial Letter, sets the strategic direction of the BC Games Society, in partnership with the provincial sport sector, and approval of the Minister. President and CEO, Kelly Mann, is given direction by the Board and is accountable for managing the operations of the Society. The Director's activities and responsibilities are governed by *Best Practice Guidelines for Governance and Disclosure for Governing Boards*.

The Society receives its core funding through a Transfer under Agreement with the Sport Branch of the Ministry of Community, Sport and Cultural Development.

The Board of Directors' guiding principles are:

- Accountability and Performance
- Openness, Trust and Transparency
- Stewardship, Leadership and Effectiveness
- Clarity of Roles and Responsibilities
- Service and Corporate Citizenship
- Value, Innovation and Improvement

Board Members and Committees

Committees of the Board

Finance – responsible for the review of all financial reports, audited statements, and supporting financial materials in order to make recommendations to the Board.
Sport – reviews and recommends to the Board, sports and communities for inclusion in the BC Winter and Summer Games.
Marketing and Communications – assists in the development of the strategic direction for marketing the BC Games, as well as recommending options for Corporate Partner benefits and acquisition.

Cathy Priestner Allinger Co-Chair, West Vancouver
Frank Lento, Co-Chair[15] and Sport, Fernie
Sharon White, Provincial Government, Marketing and Communications, Finance, Victoria
Susan Archibald, Marketing and Communications, Finance, North Vancouver
Dena Coward, Sport, Vancouver
Anoop Sharma, Finance, BC Disability Games Society, Vancouver
Sue Bock, Marketing and Communications, Trail
Moira Gookstetter, Sport, Vancouver
Kjeld Brodsgaard, Sport, Victoria
Wade Loukes, Sport, Northern BC Winter Games Society, Prince George
Kelly Stefanyshyn[15] – Chair - Sport, Vancouver
Jamie Choi, Chair – Finance, Vancouver
Renee McCloskey, Chair – Marketing and Communications, Prince George
Byron McCorkell, Finance, Kamloops
Dorothy Paul, Sport, Brentwood Bay
Byron McCorkall, Finance, Kamloops

[15] term concluded January 30, 2012

Complete biographies on our Board members and Board policies are available on our website. The BC Games Society complies with the provincial government's Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations.

http://www.bcgames.org/dotnetnuke/AboutUs/BoardGovernance/tabid/119/Default.aspx

7. Financial Statements

Financial Statements of

BC GAMES SOCIETY

Years ended March 31, 2012 and 2011

Management's Report

Management's Responsibility for the Financial Statements

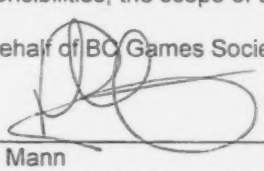
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Board also discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Mantell Dickson Blades Dusanj Chartered Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of BC Games Society and meet when required. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of BC Games Society



Kelly Mann
President and Chief Executive Officer

MANTELL | DICKSON | BLADES | DUSANJ
Chartered Accountants

202-4430 Chatterton Way Victoria, BC V8X 5J2
Tel: 250.220.7311 | Fax: 250.479.2124
Web: www.mdbd.ca

AUDITORS' REPORT

To: The Board of Directors of the BC Games Society

The Minister of Community, Sport & Cultural Development

Report on Financial Statements

We have audited the accompanying financial statements of BC Games Society (the "Society"), which comprise the statement of financial position as at March 31, 2012, March 31, 2011 and April 1, 2010 and the statements of operations and accumulated surplus and changes in net financial assets and cash flows for the years ended March 31, 2012 and March 31, 2011 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Society as at March 31, 2012, March 31, 2011 and April 1, 2010 and the results of its operations and changes in net financial assets and cash flows for the years ended March 31, 2012 and March 31, 2011 in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a consistent basis.

Mantell Dickson Blades Dusanj

Victoria, B.C.
May 17, 2012

Chartered Accountants

BC GAMES SOCIETY

Statement of Financial Position

March 31, 2012, with comparative figures as at March 31, 2011 and April 1, 2010

		March 31, 2012	March 31, 2011	April 1, 2010
Financial assets				
Cash and cash equivalents		$ 654,817	$ 436,181	$ 119,737
Accounts receivable		12,300	-	370,998
Due from government organizations	(Note 4)	54,879	22,679	58,785
		721,996	458,860	549,520
Liabilities				
Accounts payable and accrued liabilities	(Note 5)	229,085	62,287	236,005
Deferred contributions		-	-	8,060
		229,085	62,287	244,065
Net financial assets		492,911	396,573	305,455
Non-financial assets				
Tangible capital assets	(Note 6)	152,389	155,627	169,872
Inventories held for use		1,036	2,575	3,229
Prepaid expenses		-	7,447	1,700
		153,425	165,649	174,801
Accumulated surplus		$ 646,336	$ 562,222	$ 480,256

Contractual obligations (note 10)

See accompanying notes to financial statements.

APPROVED BY THE BOARD

Director

Director

BC GAMES SOCIETY

Statement of Operations and Accumulated Surplus

Year ended March 31, 2012, with comparative figures for 2011

		Budget (Unaudited - note 2(j))	2012	2011
Revenue:				
Province of British Columbia grants		$ 2,002,000	$ 2,105,000	$ 2,105,000
Athlete registration		189,000	150,402	351,338
Contractual revenues		12,000	18,482	48,500
BC Senior Games Service Agreement		55,000	55,000	55,000
Funding partners		40,000	-	35,000
Interest earned		3,000	-	5,940
Souvenirs		5,000	-	1,552
		2,306,000	2,328,884	2,602,330
Expenses:	(Note 9)			
Administration		1,211,500	1,198,739	1,102,969
Games operating costs		702,000	437,347	578,494
Operating grants, net of surplus		392,500	608,684	838,901
		2,306,000	2,244,770	2,520,364
Annual surplus	(Note 3)	-	84,114	81,966
Accumulated surplus, beginning of year		562,222	562,222	480,256
Accumulated surplus, end of year		$ 562,222	$ 646,336	$ 562,222

See accompanying notes to financial statements.

BC GAMES SOCIETY

Statement of Changes in Net Financial Assets

Year ended March 31, 2012, with comparative figures for 2011

	Budget (Unaudited - Note 2(j))	2012 Total	2011 Total
Annual surplus	$ -	$ 84,114	$ 81,966
(Acquisition) of tangible capital assets	(19,000)	(33,919)	(25,031)
Amortization of tangible capital assets	37,000	37,157	39,276
	18,000	3,238	14,245
Acquisition of inventories held for use	-	(2,811)	(4,934)
Acquisition of prepaid expense	-	-	(5,747)
Consumption of inventories held for use	-	4,350	5,588
Use of prepaid expense	7,447	7,447	-
	7,447	8,986	(5,093)
Increase in net financial assets	25,447	96,338	91,118
Net financial assets, beginning of year	396,573	396,573	305,455
Net financial assets, end of year	$ 422,020	$ 492,911	$ 396,573

See accompanying notes to financial statements.

BC GAMES SOCIETY

Statement of Cash Flows

Year ended March 31, 2012, with comparative figures for 2011

	2012	2011
Cash flow derived from (applied to):		
Operating:		
Sources of cash:		
Grants	$ 2,105,000	$ 2,105,000
Other	168,884	401,390
Funding	55,000	90,000
Interest	-	5,940
Uses of cash:		
Salaries and benefits	(735,125)	(661,175)
Operating	(149,794)	(126,858)
Administration	(324,351)	(279,205)
General	(437,156)	(354,715)
Grants and other transfers	(433,684)	(838,902)
Net change in cash from operating activities	248,774	341,475
Capital activities:		
Cash used to acquire tangible capital assets	(30,138)	(25,031)
Net change in cash and cash equivalents	218,636	316,444
Cash and cash equivalents, beginning of year	436,181	119,737
Cash and cash equivalents, end of year	$ 654,817	$ 436,181

See accompanying notes to financial statements.

1. Nature of Operations

The Society was incorporated under the Society Act on June 26, 1987. Currently, the purpose of the Society is to provide event management leadership to achieve sport, individual and community development.

Approximately 86% of the Society's annual revenues are received from the Province of British Columbia with the remainder generated from corporate sponsors, surpluses from host societies, athlete registration fees, contract service and interest.

The Northern B.C. Winter Games, the BC Winter Games, the B.C. Disability Games, the BC Summer Games and the B.C. Seniors Games are planned and operated by societies incorporated in the host community for each event. These financial statements do not reflect the revenues and expenditures of the local societies.

BC Games Society is exempt from income taxes under the Income Tax Act.

2. Summary of significant accounting policies

The term "Society" is used to mean the BC Games Society

(a) Basis of accounting:

In 2010, directive was provided by the Province of British Columbia Treasury Board ("Treasury Board") through Government Organization Accounting Standards Regulation 257/2010 requiring all tax-payer supported organizations to adopt Public Sector Accounting Board (PSAB) standards of the Canadian Institute of Chartered Accountants (CICA) without any PS4200 elections from their first fiscal year commencing after January 1, 2011.

Further, the Office of the Comptroller General ("OCG") provided direction in memorandum ref. 250955 on the treatment of financial instruments. The OCG direction requires the Society to implement PS 3450 Financial Instruments as at April 1, 2011. The Society does not have any financial instruments which are valued at fair value, and therefore, no Statement of Remeasurement of Gains and Losses has been included

These financial statements have been prepared in accordance with the financial reporting framework described above.

(b) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(c) Financial instruments

Financial instruments include the Society's cash and cash equivalents, accounts receivable, amounts due from government organizations, and accounts payable and accrued liabilities. These financial instruments are measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Operations and accumulated surplus when these financial instruments are derecognized due to disposal or are impaired.

2. Summary of significant accounting policies (continued)

Transaction costs related to the acquisition of these financial instruments are included in the cost of the related instruments.

(d) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives, as follows:

Asset	Basis	Rate
Computers and application software	Straight Line	3 – 5 Years
Registration software and computer cabling	Straight Line	5 Years
Bedding, torch, flags and signs for Host Societies	Straight Line	12 years
Furniture and equipment	Straight Line	10 years
Leaseholds	Straight Line	over the term of the lease

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Society's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

(ii) Works of art, historic assets, and intangibles

Works of art, historic assets, intangible assets and items that have been purchased, developed, or inherited in right of the Crown are not recorded as assets in these financial statements.

(iii) Inventories held for use

Inventories held for use are recorded at the lower of cost and replacement cost.

Cost includes the original purchase cost, plus shipping and applicable duties. Replacement cost is the estimated current price to replace the items.

2. Summary of significant accounting policies (continued)

(e) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred and gave rise to the revenues, and are recorded on an accrual basis.

Unrestricted grants and revenues are recorded as revenue when received or receivable, if the amounts can be estimated and collection is reasonably assured.

Donated or discounted goods and services are recorded at fair value.

Receipt of surplus from Summer and Winter Games Societies are recorded at the earlier of cash receipt and final determination of the amount of the surplus.

Government transfers (revenues from non-exchange transactions) are recognized as revenues when the transfer is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligibility criteria have been met.

Restricted grants and revenues are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

(i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case for use in providing services are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

(ii) Contributions restricted for specific purposes other than for those to be held in perpetuity or the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contribution have been met.

(iii) Contributions restricted to be retained in perpetuity, allowing only the investment income earned thereon to be spent are recorded as direct increases to accumulated surplus for the portion to be held in perpetuity and as deferred contributions for the investment income earned thereon.

Investment income includes interest recorded on an accrual basis, realized gains and losses on the sale of investments, and write-downs on investments where the loss in value is determined to be other-than-temporary.

(f) Provincial contributions

The financial statements do not reflect certain administrative expenses incurred and paid directly by the Province of British Columbia in the delivery of the games.

2. Summary of significant accounting policies (continued)

(g) Legacy Funds – Host Communities

Host communities retain 100% of profits from souvenir sales and 50% of their operating surplus, if any, and all interest earned as part of their legacy fund.

(h) Grants to Host Societies

Grants to host societies are recorded as an expense when disbursement of funds has been authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made.

(i) Use of estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Key areas where management has made estimates and assumptions include those related to the useful life of tangible capital assets and commitments. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

(j) Budget figures

Annual budget figures are determined by the Society's CEO based on approved funding available, as well as the geographical location of the Society's upcoming games to reflect travel and accommodation expenses for staff and athletes. The Society's budget was initially approved by the Board of Directors in January 2011 and again in October 2011, when the budget was revised upon finalized provincial funding that was granted to the Society. The initial budget is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Financial Assets.

Budget figures have not been audited, and are presented for comparative and information purposes.

3. Adoption of new financial reporting framework

Effective April 1, 2011, the Society adopted the financial reporting framework described in note 2(a). These financial statements are the first financial statements for which the Society has applied this financial reporting framework.

There was no impact on accumulated surplus at the date of transition.

4. Due from other government organizations

The amount due from other government organizations pertains to Harmonized Sales Taxes (HST) which has been paid on the Society's purchases and expenses, net of HST collected from athlete registration revenue.

5. Accounts payable and accrued liabilities

	2012	2011	2010
Trade accounts payable	$ 182,176	$ 20,248	$ 189,855
Salaries and benefits payable	20,618	11,679	13,250
Accrued vacation pay	6,291	10,360	17,000
Other accrued liabilities	20,000	20,000	15,900
	$ 229,085	$ 62,287	$ 236,005

6. Tangible capital assets

	Registration software	Application software	Computers	Bedding, torch, flags and signs for Host Societies	Furniture and equipment	Cabling	Leasehold improvements	2012 Total
Cost								
Opening Balance	$329,881	$18,913	$23,049	$169,522	$32,552	$8,436	$17,172	$599,525
Additions	-	-	-	12,444	17,203	-	4,272	33,919
Disposals	-	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-	-
Closing Balance	329,881	18,913	23,049	181,966	49,755	8,436	21,444	633,444
Accumulated amortization								
Opening Balance	294,077	10,352	17,184	85,284	11,393	8,436	17,172	443,898
Amortization	12,113	2,793	3,127	14,582	4,115	-	427	37,157
Disposals	-	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-	-
Closing Balance	306,190	13,145	20,311	99,866	15,508	8,436	17,599	481,055
Net book value	$23,691	$5,768	$2,738	$82,100	$34,247	$-	$3,845	$152,389

6. Tangible capital assets (continued)

	Registration software	Application software	Computers	Bedding, torch, flags and signs for Host Societies	Furniture and equipment	Cabling	Leasehold improvements	2011 Total
Cost								
Opening Balance	$313,932	$14,999	$17,881	$169,522	$32,552	$8,436	$17,172	$574,494
Additions	15,949	3,914	5,168	-	-	-	-	25,031
Disposals	-	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-	-
Closing Balance	329,881	18,913	23,049	169,522	32,552	8,436	17,172	599,525
Accumulated amortization								
Opening Balance	281,005	6,576	12,090	71,213	8,130	8,436	17,172	404,622
Amortization	13,072	3,776	5,094	14,071	3,263	-	-	39,276
Disposals	-	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-	-
Closing Balance	294,077	10,352	17,184	85,284	11,393	8,436	17,172	443,898
Net book value	$35,804	$8,561	$5,865	$84,238	$21,159	$-	$-	$155,627

7. Financial risk management

The Society has exposure to the following risks from its use of financial instruments: interest rate risk, liquidity risk and other price risk.

The Board of Directors ensures that the Society has identified its major risks and ensures that management monitors and controls them.

(a) Interest risk

The Society is not exposed to significant interest rate risk relating to its financial assets and liabilities.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the Society's future net cash flows for the possibility of a negative net cash flow. The Society manages the liquidity risk resulting from its accounts payable obligations by maintaining significant cash resources and investing in liquid investments.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Price risk is managed by holding investments to maturity.

(d) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments.

8. Surplus from Host Societies

Surplus from the host societies is comprised of:

	2012	2011
Langley 2010 Summer Games Society	$61,316	$ -
Terrace 2010 Winter Games Society	-	51,599
	$61,316	**$51,599**

9. Expenses by object

The following is a summary of expenses by object:

	2012	2011
Advertising and promotions	$ 48,573	$ 45,759
Computer maintenance	11,390	25,128
Amortization	37,157	39,276
Games operating costs	437,347	578,494
Insurance, leases and utilities	161,126	147,663
Office and business expenses	66,497	61,795
Operating grants, net of surplus	608,684	838,901
Professional services	31,657	41,074
Salaries and employee benefits	739,995	661,175
Travel and accommodation	102,344	81,099
	$2,244,770	$2,520,364

10. Contractual obligations

The Society has commitments arising from contractual agreements for office equipment, television advertising, employment services, and a lease for office premises. It is responsible for all operating costs associated with the property lease. These operating costs totalled approximately $29,900 in 2012 (2011 - $26,400) and are in addition to the amounts reported below. The Society is also committed to provide funding to host societies for staging of future games events:

	2013	2014	2015	2016	2017
General commitments	$ 250,282	$ 221,677	$100,268	$ 70,268	$ 63,000
Host Society commitments	665,000	440,000	770,000	450,000	780,000
	$ 915,282	$661,677	$870,268	$520,268	$843,000